

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 DODE-00 NSAE-00 ICA-11  
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 PM-05  
NSC-05 SP-02 SS-15 ACDA-12 L-03 /101 R

DRAFTED BY EB/ITP/EWT:BRFURNNESS:DJ  
APPROVED BY EB/ITP/EWT:WAROOT  
EUR/NE:DWOOLFLEY  
EA.PRCM:SHALLFORD  
P:DTICE  
DOC:CSEASWORD (SUBS)  
DOD:LJAMES (INFO)  
EUR/SOV:JCOLBERT (INFO)

-----030803 230315Z /61

R 220035Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON  
INFO USLO PEKING  
AMEMBASSY PARIS  
AMEMBASSY TAIPEI  
AMCONSUL HONG KONG  
AMEMBASSY MOSCOW

C O N F I D E N T I A L STATE 185656

USOECN/STC

E.O. 11652: XGDS-1

TAGS: ESTC, MASS, MILI, UK, CH, COCOM, HK, TW

SUBJECT: BRITISH GAS TURBINES FOR THE PRC

REF:A)STATE 171061 B) LONDON 6710 C) (ALL NOTAL)

1. WE HAVE RESPONDED TO THE BRITISH CHARGE'S APPROACH  
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(REF A) WITH QUESTIONS (SEE PARA 4) TO THE EMBASSY RE-  
LATING TO IDENTITY OF THE ENGINE, THE TRANSACTION AND  
THE ULTIMATE END-USER AND END-USE. WE HAVE ALSO ADVISED  
THE UK THAT WE COULD LIKELY APPROVE (PER OUR COCOM LIST  
REVIEW PROPOSAL) GAS TURBINE ENGINES FOR CIVILIAN END-  
USERS FOR CIVIL END-USES BUT THAT ENGINES FOR NON-CIVIL  
APPLICATIONS WILL REQUIRE EXTENSIVE USG CONSIDERATION.

2. FYI. INFORMATION AVAILABLE TO THE USG INDICATES THAT THE OLYMPUS IS MARKETING FOR THREE GENERAL PURPOSES:

(A) MARINE. THE MARINE OLYMPUS (28,000 HP), PROBABLY THE ENGINE MENTIONED BY ROBINSON, IS DERIVED FROM THE OLYMPUS AIRCRAFT ENGINE AND HAS BEEN AVAILABLE SINCE ABOUT 1971. ACCORDING TO THE ROLLS BROCHURE, THIS GAS TURBINE ENGINE IS THE PRIME MOVER OF THE TM3B POWER MODULE DESIGNED FOR HIGH-SPEED WARSHIPS AND IS USED,

INTER ALIA, IN THE 750 TON TURUNMAA-CLASS CORVETTE, THE 1900 TON YARROW-CLASS FRIGATE, THE 7,000 TON BRISTOL-CLASS DESTROYER AND 20,000 TON ANTI-SUBMARINE CRUISER. THE MARINE OLYMPUS IS REPORTED BY JANE'S TO BE USED BY 12 DIFFERENT NAVIES. ACCORDING TO THE GAS TURBINE WORLD HANDBOOK FOR 1977-78, IT IS THE ONLY MARINE GAS TURBINE ENGINE PRODUCED BY ROLLS UNDER THE OLYMPUS NAME AND IS THE LARGEST OF THE 10 MARINE GAS TURBINES PRODUCED BY ROLLS.

(B) AIRCRAFT. THREE VERSIONS OF THE OLYMPUS (MK 101 - 11,000 LBS. THRUST; MK 202 - 17,000 LBS THRUST; MK 301 - 20,000 LBS. THRUST) ARE USED IN MILITARY AIRCRAFT; THE MK 610 (37,700 LBS. THRUST WITH AFTERBURNER) IS USED TO POWER THE CONCORDE.

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(C) INDUSTRIAL. THE OLYMPUS IS SUPPLIED IN EITHER 19,600 KW OR 28,000 KW VERSIONS FOR INDUSTRIAL POWER GENERATION. THIS MAY OR MAY NOT BE AVAILABLE IN A "MARINIZED" VERSION; THAT IS, WITH BLADE COATINGS AND OTHER MODIFICATIONS FOR OPERATION IN CORROSIVE ENVIRONMENTS.

3. GAS TURBINES FOR AIRCRAFT AND MARINE PROPULSION ARE CURRENTLY EMBARGOED UNDER COCOM DEFINITIONS 1460, (COVERING AIRCRAFT ENGINES OVER 5,000 LBS. THRUST) AND 1431 (COVERING GAS TURBINES FOR MARINE PROPULSION OVER 3,500 HP). THERE IS NO COVERAGE OF INDUSTRIAL GAS TURBINES. THE USG COCOM LIST REVIEW PROPOSAL WOULD EMBARGO ALL GAS TURBINES (EVEN FOR INDUSTRIAL USES) BUT PERMIT NATIONAL AUTHORITIES TO APPROVE, WITHOUT PRIOR COCOM CLEARANCE, SALES OF MARINE AND INDUSTRIAL GAS TURBINES FOR CIVILIAN USE. (THERE ARE ADDITIONAL RESTRICTIONS IN THE CASE OF AIRCRAFT GAS TURBINE ENGINES AND FOR THE TRANSFER OF MANUFACTURING TECHNOLOGY). THUS, IF THE US PROPOSAL IS ADOPTED, THE BRITISH COULD EXPORT THE OLYMPUS (BUT NOT THE MANUFACTURING TECHNOLOGY) TO CIVILIAN END-USERS FOR CIVIL END-USES WITHOUT PRIOR

COCOM REVIEW.

4. ANSWERS TO THE QUESTIONS PUT TO THE BRITISH EMBASSY ON JULY 18 WILL ENABLE US TO DETERMINE WHETHER THE ENGINES WOULD MEET THE CRITERIA ESTABLISHED BY OUR COCOM PROOPSAL AND ARE AS FOLLOWS:

(BEGIN TEXT)

1. ENGINE. WHICH MODEL OF THE OLYMPUS IS INVOLVED? IS IT THE ORIGINAL ENGINE, OR HAS IT BEEN MODIFIED OR UPGRADED? IF MOFIFIED OR UPGRADED, WHAT IS THE NATURE OF THE CHANGES AND WHEN WERE THEY MADE? WHERE AND WHEN DID THIS VERSION ENTER INTO BONA FIDE  
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CIVILIAN SERVICE?

2. TRANSACTION. WHEN ARE DELIVERIES OF ENGINES EXPECTED TO BEGIN? WOULD TECHNOLOGY OR TECHNICAL DATA BE PROVIDED AS PART OF THE TRANSACTION? IF SO, WOULD IT BE LIMITED TO ROUTINE, LOW-LEVEL MAINTENANCE INFORMATION? IF MORE THAN THAT, WHAT SPECIFICALLY? WOULD THE ENGINE OR ANY COMPONENTS BE MANUFACTURED IN THE PEOPLES REPUBLIC OF CHINA?

3. END-USER/END-USE. WHO WOULD BE THE ULTIMATE END-USER(S)? WHAT IS THE PROPOSED END-USE(S)? WHAT IS THE LIKELIHOOD OF EVENTUAL CHANGES IN END-USES(S) AND END-USE(S)? (END TEXT).

5. IN ADDITION, THE BRITISH EMBASSY WAS REQUESTED TO ELABORATE ON ROBINSON'S COMMENTS RE THE APPLICABILITY OF THE REVISED STRATEGIC CRITERIA TO THE OLYMPUS TRANSACTION. IN THE PAST, THE BRITISH HAVE ARGUED THAT WE SHOULD EMBARGO PRIMARILY THOSE ITEMS CAPABLE OF ALTERING THE STRATEGIC BALANCE BETWEEN EAST AND WEST AND SOUGHT TO INTRODUCE THE CONCEPT OF "POLITICAL" CRITERIA FOR APPROVING SALES OF STRATEGIC ITEMS. IT SHOULD ALSO BE NOTED THAT THE BRITISH SOLD THE MANUFACTURING TECHNOLOGY FOR THE SPEY ENGINE, MILITARY VERSION, TO THE PRC A FEW YEARS AGO. ANY LIGHT THAT COULD BE SHED ON THE BRITISH RATIONALE FOR AN OLYMPUS TRANSACTION WOULD BE MUCH APPRECIATED. COPIES OF THE ROLLS BROCHURE ARE BEING POUCHED.

6. DESPITE POTENTIAL CIVIL APPLICATIONS FOR OLYMPUS ENGINES, A CLEAR MILITARY-USAGE PATTERN EXISTS,  
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MAKING IT LIKELY THAT THE PRC IS INTERESTED IN USING  
THE ENGINES FOR MILITARY OR PARA-MILITARY (E.G. COAST  
GUARD) APPLICATIONS. IF THE UK RESPONSE BEARS THIS  
OUT, CONSIDERABLE ADDITIONAL REVIEW WITH IN THE USG WILL  
BE NECESSARY AND WE CANNOT PREDICT THE EVENTUAL RESPONSE. VANCE

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